

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 99-612

November 16, 1999

CHINA TELEPHONE COMPANY
STANDISH TELEPHONE COMPANY
MAINE TELEPHONE COMPANY
Request for Approval of Affiliated Interest
Transaction (Standard Support Services
Agreement)

ORDER

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

In this order we approve the Standard Support Services Agreement ("the Agreement") among Standish Telephone Company, China Telephone Company and Maine Telephone Company (Companies) that was submitted for our approval on August 31, 1999. The Agreement requires our approval under 35-A M.R.S.A. §707 because the Companies are affiliated interests of each other by virtue of their common ownership by Utilities, Inc., which itself was recently acquired by MJD Communications.

The Agreement in general describes the services and facilities that may be provided by the Companies to each other and states the terms under which each of the Companies may provide the services and facilities to or from each of the other affiliates. The determination and allocation of the costs involved in providing the services or facilities will be accomplished in accordance with the applicable Cost Allocation Manual (CAM) for the UI Telephone Companies. The CAM was recently updated, and a copy of the CAM was provided with the filing.

The Companies assert in their filing that the Agreement is not adverse to the public interest because it allows the Companies to benefit from economies, efficiencies and revenues achieved by providing services and using facilities in common with each other. Further, the use of the Agreement will simplify and streamline the Companies administrative and accounting activities. The Companies further assert that the Agreement is structured in a manner similar to other management services agreements, support services agreements and standard support services agreements that the Commission has approved for various other independent telephone companies.

The proposed Agreement will supplement the Management Services Agreement currently in effect between each of the UI Telephone Companies and their parent company, Utilities, Inc., and the Service Contracts in effect between each of the Companies and their affiliate Telephone Service Company. Each of those agreements has been approved previously by the Commission. In addition, the Agreement will be used to establish terms between the Companies and their more recently created

affiliated interests, such other existing or new members of the MJD Communications group of companies.

The approval of this Agreement will not in any way restrict the ability of the Commission to examine the books and records of the Companies or their affiliates or the transactions between or among any of the Companies and their affiliates, nor will it in any way limit the Commission's ability to establish just and reasonable rates for each of the Companies. The approval of the Agreement does not restrict the Commission's ability to examine the prudence and reasonableness of the charges that result from it. We remind Maine Companies that Chapter 820 §4(C), 4(D), 6(B) and 6(C) govern the use of intangibles by affiliates.

Having examined the filing of the UI Telephone Companies, we find that the proposed Standard Support Services Agreement is not adverse to the public interest and should be approved.

Accordingly, we

O R D E R

1. That the Standard Support Services Agreement filed by Standish Telephone Company, China Telephone Company and Maine Telephone Company on August 31, 1999 is approved.

Dated at Augusta, Maine, this 16th day of November, 1999.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR:

Welch
Nugent
Diamond

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Civil Procedure, Rule 73, et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.